



UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE
United States Patent and Trademark Office
Address: COMMISSIONER FOR PATENTS
P.O. Box 1450
Alexandria, Virginia 22313-1450
www.uspto.gov

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
-----------------	-------------	----------------------	---------------------	------------------

10/687,223

10/15/2003

Peter J. Kaehler

110.0010001

2931

7590 12/09/2008
E. J. Brooks & Associates, PLLC
Suite 500
1221 Nicollet Avenue
Minneapolis, MN 55403

EXAMINER

ALTSCHUL, AMBER L

ART UNIT

PAPER NUMBER

3686

MAIL DATE

DELIVERY MODE

12/09/2008

PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.



UNITED STATES PATENT AND TRADEMARK OFFICE

Commissioner for Patents
United States Patent and Trademark Office
P.O. Box 1450
Alexandria, VA 22313-1450
www.uspto.gov

**BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES**

Application Number: 10/687,223
Filing Date: October 15, 2003
Appellant(s): KAEHLER ET AL.

Edward J. Brooks
For Appellant

EXAMINER'S ANSWER

This is in response to the appeal brief filed September 22, 2008 appealing from the Office action mailed September 3, 2008.

(1) Real Party in Interest

A statement identifying by name the real party in interest is contained in the brief.

(2) Related Appeals and Interferences

The examiner is not aware of any related appeals, interferences, or judicial proceedings which will directly affect or be directly affected by or have a bearing on the Board's decision in the pending appeal.

(3) Status of Claims

The statement of the status of claims contained in the brief is correct.

(4) Status of Amendments After Final

The appellant's statement of the status of amendments after final rejection contained in the brief is correct.

(5) Summary of Claimed Subject Matter

The summary of claimed subject matter contained in the brief is correct.

(6) Grounds of Rejection to be Reviewed on Appeal

The appellant's statement of the grounds of rejection to be reviewed on appeal is correct.

NEW GROUND(S) OF REJECTION

Claims 1-12, 19-30 and 32 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter.

Claim Rejections - 35 USC § 101

1. 35 U.S.C. 101 reads as follows:

Art Unit: 3686

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 1-12, 19-30, and 32 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter

In order for a method to be considered a "process" under §101, a claimed process must either: (1) be tied to another statutory class (such as a particular apparatus) or (2) transform underlying subject matter (such as an article or materials). *Diamond v. Diehr*, 450 U.S. 175, 184 (1981); *Parker v. Flook*, 437 U.S. 584, 588 n.9 (1978); *Gottschalk v. Benson*, 409 U.S. 63, 70 (1972). If neither of these requirements is met by the claim, the method is not a patent eligible process under §101 and is non-statutory subject matter.

2. Claims 1-12, 19-30 and 32 recite a "system for benefits management" which fails to (1) be tied to another statutory class and (2) transform underlying subject matter. Although claim 1 recites a "server", this is just a nominal recitation of a physical structure and fails to satisfy the statutory requirements. See *Diamond v. Diehr*, 450 U.S. 175, 184 (1981); *Parker v. Flook*, 437 U.S. 584, 588 n.9 (1978); *Gottschalk v. Benson*, 409 U.S. 63, 70 (1972). Furthermore, no transformation of any physical object is completed during the recitation of the present invention. As such, the present invention is directed towards non-statutory subject matter and is rejected under 35 U.S.C. 101.

(7) Claims Appendix

The copy of the appealed claims contained in the Appendix to the brief is correct.

(8) Evidence Relied Upon

(9) Grounds of Rejection

The following ground(s) of rejection are applicable to the appealed claims:

1. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 1-12, 19-30, and 32 are rejected under 35 U.S.C. 101 because the claimed invention is directed to non-statutory subject matter

In order for a method to be considered a "process" under §101, a claimed process must either: (1) be tied to another statutory class (such as a particular apparatus) or (2) transform underlying subject matter (such as an article or materials). *Diamond v. Diehr*, 450 U.S. 175, 184 (1981); *Parker v. Flook*, 437 U.S. 584, 588 n.9 (1978); *Gottschalk v. Benson*, 409 U.S. 63, 70 (1972). If neither of these requirements is met by the claim, the method is not a patent eligible process under §101 and is non-statutory subject matter.

2. Claims 1-12, 19-30 and 32 recite a "system for benefits management" which fails to (1) be tied to another statutory class and (2) transform underlying subject matter. Although claim 1 recites a "server", this is just a nominal recitation of a physical structure and fails to satisfy the statutory requirements. See *Diamond v. Diehr*, 450 U.S. 175, 184 (1981); *Parker v. Flook*, 437 U.S. 584, 588 n.9 (1978); *Gottschalk v. Benson*, 409 U.S. 63, 70 (1972). Furthermore, no transformation of any physical object is completed during the recitation of the present invention. As such, the present invention is directed towards non-statutory subject matter and is rejected under 35 U.S.C. 101.

Art Unit: 3686

Claim Rejections - 35 USC § 103

3. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this

Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

4. Claims 1-12, 19-30, and 32 are rejected under 35 U.S.C. 102(b) as being anticipated by United States Patent Application Publication Number US 2002/0049617, Lencki, et al., hereinafter Lencki in view of United States Patent Number 6,044,352, Deavers et al., hereinafter Deavers.

5. (Currently Amended) As per claim 1, Lencki teaches a system for benefits management, comprising:

a server including an application interface and access to a data store having one or more client files, wherein a client file ~~can include~~s a definable set of business rule[[s]] instructions executed by a processor to for managing and administering manage and administer benefits and ~~can include~~s fund use rule[[s]] instructions executed by a processor to for accessing and applying access and apply funds to payment of claims from ~~one or more~~ a plurality of accounts, (page 1, para. 11, page 9, para. 146 and page 22, para. 258). Lencki does not explicitly teach payments from a plurality of accounts.

However, this feature is known in the art, as evidenced by Deavers. In particular, Deavers suggests payments from a plurality of accounts, (See Deavers abstract, column 1, lines 12-36, column 4, lines 40-58).

It would have been obvious to one of ordinary skill in the art at the time of the invention to have included the feature of Deavers within the Lencki system with the motivation of ensuring proper payment of medical/health expenses not covered by the insurance, (See Deavers abstract, column 2, lines 12-18).

a program operable on the server to apply the definable set of business rules in ~~connection with processing a claim, wherein the instructions are executed by the~~ processor to allow a plan sponsor to define a first defined set of the fund use rules and a plan member to define a second defined set of the fund use rules in order to define payment of at least a portion of a claim from between at least two different employee benefit accounts, dependent upon authority being granted by the plan sponsor, (page 1, para. 11, page 9, para. 146 and page 22, para. 258). Lencki does not explicitly teach payments from a plurality of accounts.

However, this feature is known in the art, as evidenced by Deavers. In particular, Deavers suggests payments from a plurality of accounts, (See Deavers abstract, column 1, lines 12-36, column 4, lines 40-58).

It would have been obvious to one of ordinary skill in the art at the time of the invention to have included the feature of Deavers within the Lencki system with the motivation of ensuring proper payment of medical/health expenses not covered by the insurance, (See Deavers abstract, column 2, lines 12-18).

6. (Currently Amended) As per claim 2, Lencki teaches the system of claim 1 as described above. Lencki further teaches wherein the ~~one or more~~ the at least two different employee benefit accounts are selected from the group of:

Art Unit: 3686

a health reimbursement arrangement (HRA) account;
a flex spending account (FSA), (page 8, para. 131);
a vacation account;
a fitness club account, (page 8, para. 133);
a retiree health benefits account, (pages 3-4, para. 80 and page 7, para. 119);
and
a salon account.

7. (Original) Regarding claim 3, Lencki teaches the system of claim 1 as described above. Lencki further teaches wherein the definable set of business rules are definable by a plan sponsor of a health insurance plan, (page 27, para. 313 and page 28, para. 315).

8. (Original) Regarding claim 4, Lencki teaches the system of claim 1 as described above. Lencki further teaches wherein the one or more client files include plan sponsor files associated with a health care insurance plan, (page 28, paragraphs 314 and 316).

9. (Currently Amended) Regarding claim 5, Lencki teaches the system of claims 1 and 4 as described above. Lencki further teaches wherein the program can track adjudicated claims submitted by [[a]] the plan member and ~~can apply~~ applies the definable set of business rules to manage available funds in a flexible spending account (FSA) and a health reimbursement arrangement (HRA) account secondary to application of a plan carrier's business roles for the health care insurance plan, (page 8, para. 131, page 9, para. 146 and page 22, para. 258).

Art Unit: 3686

10. (Currently Amended) Regarding claim 6, Lencki teaches the system of claim 1 as described above. Lencki further teaches wherein the definable set of business rules include:

a selection of which funds between a flexible spending account (FSA) and a health reimbursement arrangement (HRA) are to be applied first to an adjudicated claim determined among selected categories within particular classes of services, (page 8, para. 131, page 9, para. 146 and page 22, para. 258); and

a selection of a payment relationship between [[a]] the plan sponsor and [[a]] the plan member among selected categories within particular classes of services, (page 3, para. 78, page 4, para. 81 and page 28, paragraphs 314 and 316).

11. (Original) Regarding claim 7, Lencki teaches the system of claims 1 and 6 as described above. Lencki further teaches wherein the selected categories include categories, (page 1, para. 9), selected from the group of:

an insured category, (page 1, para. 9);

a co-pay category, (page 27, para. 312);

a deductible category, (page 15, para. 190);

a co-insurance category;

and an ineligible category, (page 11, para. 157).

12. (Original) Regarding claim 8, Lencki teaches the system of claims 1 and 6 as described above. Lencki further teaches wherein particular classes of services include in-network classes and out-of-network classes for services selected from the group of:

a preventive care service, (page 8, para. 139);

Art Unit: 3686

an office visit, (page 9, para. 143);
a hospital service, (page 15, para.190);
an urgent care center service;
a prescription service, (page 15, para. 190);
a dental service, (page 15, para. 190);
a vision service;
a chemical dependency service;
and an emergency room service.

13. (Original) Regarding claim 9, Lencki teaches the system of claims 1 and 6 as described above. Lencki further teaches wherein the selection of a payment relationship includes a plan sponsor rule selection from among the group of:

a percentage payment amount, (page 1, para. 11 and page 13, para.174); and
a fixed payment amount among selected categories within particular classes of services, (page 1, para. 11, and page 22, para. 258).

14. (Original) Regarding claim 10, Lencki teaches the system of claims 1 and 6 as described above. Lencki further teaches wherein the selection of which funds between the FSA and the HRA are to be applied includes a selection of a plan sponsor role and a member rule, (page 8, para. 131, page 9, para. 146, and page 22, para. 258).

15. (Currently Amended) Regarding claim 11, Lencki teaches the system of claim 1 as described above. Lencki further teaches wherein the one or more client files include one or more member files accessible from a remote device by one or more entities having authorized access rights, (page 11, para. 159), the one or more entities

Art Unit: 3686

selected from the group of:

[[a]] the plan sponsor, (page 27, para. 313 and page 28, para. 315),

[[a]] the plan member, (page 5, para. 103);

and a third party administrator.

16. (Currently Amended) Regarding claim 12, Lencki teaches the system of claim 1 as described above. Lencki further teaches wherein each client file is associated with a plan sponsor and wherein the plan sponsor can access its associated client file from a remote device to select among the definable set of business rules, (page 27, para. 313, and page 28, paragraphs 314-316).

17. (Currently Amended) Regarding claim 19, Lencki teaches a computer readable medium including a program having instructions executable by a processor to perform a method, comprising:

defining a number of plan sponsor rules to be applied secondary to the application of a set of business rules defined in a health insurance plan by a plan carrier, (page 9, para. 146 and page 22, para. 258); and

defining a number of member rules to be applied in conjunction with the number of plan sponsor rules, wherein the instructions are executed by the processor to allow a plan sponsor to define the number of plan sponsor rules and a plan member to define the number of member rules in order to define payment of at least a portion of a claim from between at least two different employee benefit accounts (page 9, para. 146 and page 22, para. 258). Lencki does not explicitly teach payments from a plurality of accounts.

Art Unit: 3686

However, this feature is known in the art, as evidenced by Deavers. In particular, Deavers suggests payments from a plurality of accounts, (See Deavers abstract, column 1, lines 12-36, column 4, lines 40-58).

It would have been obvious to one of ordinary skill in the art at the time of the invention to have included the feature of Deavers within the Lencki system with the motivation of ensuring proper payment of medical/health expenses not covered by the insurance, (See Deavers abstract, column 2, lines 12-18).

18. (Currently Amended) Regarding claim 20, Lencki teaches the medium of claim 19 as described above. Lencki teaches wherein defining [[a]] the number of plan sponsor rules includes selecting a payment relationship between [[a]] the plan sponsor and [[a]] the plan member for handling a deductible payment associated with a particular claim type under the health insurance plan, (page 7, para. 118).

19. (Currently Amended) Regarding claim 21, Lencki teaches the medium of claim

19 as

described above. Lenski teaches wherein defining [[a]] the number of plan sponsor

rules

includes selecting a payment relationship between [[a]] the plan sponsor and [[a]] the

plan

member for handling a co-payment associated with a particular claim type under the

health

insurance plan, (Fig. 22C and page 7, para. 122).

Art Unit: 3686

20. (Currently Amended) Regarding claim 22, Lencki teaches the medium of claim 19 as described above. Lencki further teaches wherein defining [[a]] the number of plan sponsor rules includes selecting a payment relationship between [[a]] the plan sponsor and [[a]] the plan member for handling a coinsurance payment associated with a particular claim type under the health insurance plan, (page 15, para. 189).

21. (Currently Amended) Regarding claim 23, Lencki teaches the medium of claim 19 as described above. Lencki further teaches wherein defining [[a]] the number of plan sponsor rules includes [[a]] the plan sponsor selecting a hierarchy among a number of plan member health benefit accounts for application of funds to payment of a particular claim type under the health insurance plan, (page 4, para. 83 and page 15, para. 189).

22. (Currently Amended) Regarding claim 24, Lencki teaches the medium of claims 19 and 23 as described above. Lencki further teaches wherein defining [[a]] the number of member rules includes [[a]] the plan member selecting a hierarchy among a number of plan member health benefit accounts for application of funds to payment of a particular claim type under the health insurance plan secondary to implementation of the number of plan sponsor rules, (page 4, para. 83, page 9, para. 146, page 15, para. 189, and page 22, para. 258).

23. (Original) Regarding claim 25, Lencki teaches the medium of claim 19 as described above. Lencki further teaches wherein the method further includes tracking usage and available balances in a number of plan member health benefit accounts according to the number of plan sponsor rules and member rules, (page 4, paragraphs 83 and 85, page 9, para. 146, page 15, para. 189, and page 22, para. 258).

Art Unit: 3686

24. (Currently Amended) Regarding claim 26, Lencki teaches a method for providing benefits, comprising:

selecting a health benefit plan offered by a plan carrier; and

further defining rules in addition to rules defined for the health benefit plan by the plan carrier in order to manage fund allocation from a ~~number~~ plurality of plan member benefit accounts, including a health reimbursement account, according to different categories of services, (page 4, paragraphs 83 and 85); and

allowing a plan sponsor to define a first defined set of fund use rules and a plan

member to define a second defined set of fund use rules in order to define payment of

at least a portion of a claim from between at least two different employee benefit

accounts, dependent upon authority being granted by the plan sponsor, (page 9, para.

146 and page 22, para. 258). Lencki does not explicitly teach payments from a plurality of accounts.

However, this feature is known in the art, as evidenced by Deavers. In particular, Deavers suggests payments from a plurality of accounts, (See Deavers abstract, column 1, lines 12-36, column 4, lines 40-58).

It would have been obvious to one of ordinary skill in the art at the time of the invention to have included the feature of Deavers within the Lencki system with the motivation of ensuring proper payment of medical/health expenses not covered by the insurance, (See Deavers abstract, column 2, lines 12-18).

25. (Original) Regarding claim 27, Lencki teaches the method of claim 26 as described above. Lencki further teaches wherein further defining rules includes defining

Art Unit: 3686

a number of plan sponsor rules associated with different categories of services, (page 8, para. 131, page 9, para. 146, and page 22, para. 258).

26. (Original) Regarding claim 28, Lencki teaches the method of claim 26 as described above. Lencki further teaches wherein further defining rules includes defining a number of member rules associated with different categories of services, (page 8, para. 131, page 9, para. 146, and page 22, para. 258).

27. (Currently Amended) Regarding claim 29, Lencki teaches the method of claim 26 as described above. Lencki further teaches further defining rules includes: selecting which funds between funds in multiple health benefit accounts are to be applied first to a post-adjudicated claim under the health care plan according to various claim type categories, (page 8, para. 131, page 9, para. 146, and page 22, para. 258); and

selecting a payment relationship between [[a]] the plan sponsor and [[a]] the plan member according to various claim type categories associated with different types of services, (page 3, para. 78, page 4, para. 81, and page 28, paragraphs 314-316).

28. (Currently Amended) Regarding claim 30, Lencki teaches the method of claims 26 and 29 as described above. Lencki further teaches wherein selecting [[a]] the payment relationship includes defining a plan sponsor percentage payment amount for a claim type category associated with different types of services, (page 1, para. 9), and wherein the claim type is selected from the group including:

an insured category, (page 1, para. 9);

a co-pay category, (page 27, para. 312);

Art Unit: 3686

a deductible category, (page 15, para. 190);

and a co-insurance category.

29. (Currently Amended) Regarding claim 32, Lencki teaches the method of claims 26 and 29 as described above. Lencki further teaches wherein selecting [[a]] the payment relationship includes defining a plan sponsor fixed payment amount for a claim type category associated with different types of services, (page 1, para. 9), and wherein the claim type is selected from the group including:

an insured category, (page 1, para. 9);

a co-pay category, (page 27, para. 312);

a deductible category, (page 15, para. 190); and

a co-insurance category.

(10) Response to Argument

In the appeal brief filed September 29, 2008, Appellant makes the following arguments.

(A) Appellant argues that the cited reference does not teach, suggest or render obvious each and every element of claims 1, 19, and 26.

In response, the Examiner respectfully disagrees. It is readily apparent that Lencki in view of Deavers discloses fund use rules that allow a plan sponsor to define payment of at least a portion of a claim from between at least two different employee benefit accounts and that allow a plan member to define payment of at least a portion of a claim from between at least two different employee benefit accounts, dependent upon authority being granted by the plan

Art Unit: 3686

sponsor, (See the previous office action). It would have been obvious to one of ordinary skill in the art to include in the claim processing system of Lencki the ability to pay for medical expenses from a secondary account as taught by Deavers since the claimed invention is merely a combination of old elements, and in the combination each element merely would have performed the same function as it did separately, and one of ordinary skill in the art would have recognized that the results of the combination were predictable. As per claims 2-12, 20-25, 27-30 and 31, examiner maintains rejections detailed in the previous office action.

(11) Related Proceeding(s) Appendix

No decision rendered by a court or the Board is identified by the examiner in the Related Appeals and Interferences section of this examiner's answer.

For the above reasons, it is believed that the rejections should be sustained.

(12) Notice to Appellant – Reply is required.

This examiner's answer contains a new ground of rejection set forth in section (9) above. Accordingly, appellant must within **TWO MONTHS** from the date of this answer exercise one of the following two options to avoid *sua sponte* **dismissal of the appeal** as to the claims subject to the new ground of rejection:

(1) **Reopen prosecution.** Request that prosecution be reopened before the primary examiner by filing a reply under 37 CFR 1.111 with or without amendment, affidavit or other evidence. Any amendment, affidavit or other evidence must be relevant to the new grounds of rejection. A request that complies with 37 CFR 41.39(b)(1) will be entered and considered. Any request that prosecution be reopened will be treated as a request to withdraw the appeal.

Art Unit: 3686

(2) **Maintain appeal.** Request that the appeal be maintained by filing a reply brief as set forth in 37 CFR 41.41. Such a reply brief must address each new ground of rejection as set forth in 37 CFR 41.37(c)(1)(vii) and should be in compliance with the other requirements of 37 CFR 41.37(c). If a reply brief filed pursuant to 37 CFR 41.39(b)(2) is accompanied by any amendment, affidavit or other evidence, it shall be treated as a request that prosecution be reopened before the primary examiner under 37 CFR 41.39(b)(1).

Extensions of time under 37 CFR 1.136(a) are not applicable to the TWO MONTH time period set forth above. See 37 CFR 1.136(b) for extensions of time to reply for patent applications and 37 CFR 1.550(c) for extensions of time to reply for ex parte reexamination proceedings.

Respectfully submitted,

/Amber L. Altschul/

Examiner, Art Unit 3626

Amber L. Altschul

A handwritten signature in black ink, appearing to read 'Gerald J. O'Connor', with a stylized, flowing script.

Gerald J. O'Connor

Supervisory Patent Examiner, Art Unit 3686

Art Unit: 3686

Vincent Millin

Appeals Practice Specialist

A Technology Center Director or designee must personally approve the new ground(s) of rejection set forth in section (9) above by signing below:

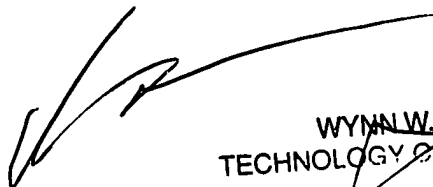
Conferees:

Gerald J. O'Connor



Supervisory Patent Examiner, Art Unit 3686

Vincent Millin



Appeals Practice Specialist

WYNN W. COGGINS
TECHNOLOGY CENTER DIRECTOR

Application/Control Number: 10/687,223
Art Unit: 3686

Page 19

Wynn W. Coggins

Director, TC 3600

A handwritten signature in black ink, appearing to read "Wynn W. Coggins". The signature is written in a cursive, flowing style with a large initial "W" and a long, sweeping underline.